



SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

EMPLOYMENT TRENDS

The Pocatello Metropolitan Statistical Area's seasonally adjusted unemployment rate jumped six-tenths of a percentage point to 5.7 percent in June from 5.1 percent in May, as shown in Southeast Idaho Table 1. June's rate is 1.1 percent above the 4.6 percent rate experienced one year ago. The current rate is four-tenths of a percentage point higher than the state rate of 5.2 percent and three-tenths of a percentage point lower than the national rate of 5.9 percent.

The number of *Nonfarm Payroll Jobs* decreased by 650 between May and June because schools closed for summer and jobs in *Government Education* declined by 1,130. Normal seasonal changes occurred between May and June. *Construction* added 160 jobs as residential and road construction projects began throughout the area, *Services* added 170 jobs as agricultural and recreational activities increased, and *Government Administration* increased by 100 jobs as road repairs and parks and recreation activities increased. *Nonfarm Payroll Jobs* declined by 230 from June 2001 to June 2002. Declines were evenly split between the *Goods* and *Service Producing Industries*—specifically, *Construction* (160) and *Retail Trade* (350). The lack of major commercial construction projects and the closure of two retail trade stores, along with minimal summer hiring, contributed to fewer jobs in June 2002 compared to June 2001.

SPECIAL TOPIC

Economic Impact of Astaris Closure

It has been just over a year since the first round of Astaris layoffs occurred prior to its closure at the end of 2001. In 2001, Astaris, formerly the FMC Corporation, announced it would decrease production of elemental phosphorus and incrementally decrease its workforce throughout the year, beginning with a layoff in June. The June 2001 layoff, which affected approximately 75 workers, occurred as planned. Then, as international competition intensified,

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	June 2002*	May 2002	June 2001	% Change From Last Month	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	41,580	41,200	41,290	0.9	0.7
Unemployment	2,360	2,080	1,890	13.5	24.9
% of Labor Force Unemployed	5.7	5.1	4.6		
Total Employment	39,220	39,119	39,400	0.3	-0.5
Unadjusted					
Civilian Labor Force	40,730	41,150	40,440	-1.0	0.7
Unemployment	2,270	2,020	1,800	12.4	26.1
% of Labor Force Unemployed	5.6	4.9	4.5		
Total Employment	38,460	39,130	38,640	-1.7	-0.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	32,770	33,420	33,000	-1.9	-0.7
Goods-Producing Industries	4,610	4,460	4,720	3.4	-2.3
Mining & Construction	1,880	1,720	2,000	9.3	-6.0
Manufacturing	2,730	2,710	2,720	0.7	0.4
Service-Producing Industries	28,160	18,980	28,280	48.4	-0.4
Transportation, Comm., & Utilities	1,780	1,760	1,780	1.1	0.0
Wholesale Trade	1,350	1,350	1,400	0.0	-3.6
Retail Trade	6,570	6,580	6,920	-0.2	-5.1
Finance, Insurance, & Real Estate	1,770	1,750	1,730	1.1	2.3
Services	8,550	8,380	8,470	2.0	0.9
Government Administration	3,630	3,530	3,540	2.8	2.5
Government Education	4,510	5,640	4,440	-20.0	1.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

power rates soared, and the U.S. economy weakened, Astaris ceased production and closed its facility west of Pocatello in December 2001. Since then, several former employees have found work or retired, several are enrolled in training programs or college, some have been retained by Astaris for clean-up work at the facility, some have moved, while others continue their work search. Still, the full impact of the facility's closure remains unknown but is significant.

Because of relatively high wages and good benefits earned by former Astaris workers, a lack of comparable jobs available in the community, and other factors, there will be a negative multiplier effect on other jobs in the area from the Astaris layoffs; it is predicted the effect will negatively impact 2.2 – 2.5 percent of all other jobs in the area. For example:

- An estimated 25 percent of Astaris workers retired and their incomes continued but at a reduced level, impacting the ability for their money to recirculate in the community.
- An estimated 10 percent of the workers were hired by FMC for clean up and incomes of those workers continued.
- Between the more than 200 Astaris workers who were laid off initially and approximately 75 workers from the June reduction, there was a total loss of 280 jobs. Using a 2.5 percent multiplier, the Astaris closure

could affect another 420 jobs in the area either by elimination, reduction of hours, or a change in compensation.

- Astaris' annual average wage of \$52,000 exceeds the average annual covered wage of the area by approximately \$26,000. This has the potential to eliminate approximately \$7,280,000 of spending power, per year, in the Pocatello area.
- The elimination of approximately 200 construction jobs from Astaris' LDR project, with an estimated average annual income of \$40,000, eliminated another \$8 million a year in wages for the duration of the project. The LDR construction project was expected to last from three to five years.
- Astaris estimates that subcontractors who worked on projects at the West Pocatello facility averaged about 100 employees at the plant for about 75 percent of the year, which equals approximately \$3 million annually in wages.
- The immediate impact of these wage losses was reduced by the maximum Unemployment Insurance benefit amount these workers received, which totaled at least \$2.4 million for Astaris employees and \$1.6 million for construction workers.
- Astaris workers enrolled in training may have been eligible for an additional 25 weeks of unemployment benefits.
- Power County will lose about \$1 million in tax revenue per year.

The projected economic loss of wages, benefits, and taxes could reach over \$40 million the first year and as much as \$30 million annually.

AREA ECONOMIC DEVELOPMENTS

- A new business, TetriDyne Solutions, Inc., will begin operating in Pocatello at the Idaho State University Business and Research Park. The new company is a data integration and management software products business. It will employ five people initially and expects to expand to 60 employees within two years.
- T.J. Maxx opened a retail store at the new Cobblestone Creek Shopping Center in Pocatello. The 23,533-square-foot store, which offers family apparel and accessories, house wares, and gifts, will employ 75 people.
- Bannock Regional Medical Center opened its 12,000-square-foot Behavioral Health Center. The \$1.5 million project added approximately 40 jobs in the area; 24 full time positions, 1 part-time position, and 20 per diem positions. The center is located below the transitional care/geriatric care building on Memorial Drive.
- American MicroSystems, Inc. of Pocatello announced another round of layoffs. The company

recently purchased a semiconductor business in Belgium and attributes the layoffs to redundancy and also the slow economic recovery in the U.S. Several workers opted for voluntary separation and an additional 47 workers were furloughed. Most of the layoffs were in the manufacturing division. The company still plans to build an engineering and research center in Pocatello.

- Lava Hot Springs will begin a \$1.2 million upgrade of its water system. The city has been plagued with insufficient water storage and poor water quality and pressure. The upgrade will include removal of a contaminated well from the system, installation of a larger storage tank and new water lines, improvement of well houses, and installation of water meters. Plans call for the upgrade project to take place in 2003.
- Antigo Cheese Company has purchased Suprema Cheese in Blackfoot, which closed in March 2002. Antigo is an 80 percent employee-owned company from Antigo, Wisconsin. Because basic facility maintenance was continued since Suprema closed in March, Antigo expects to begin limited production by the end of August, employing as many as 28 people. The company plans to increase to full production with as many as 50 employees.
- Work continues on the Franklin County fire and ambulance station in Preston. The facility will house fire trucks and ambulances, equipment and supplies, and provide a training room for fire and ambulance workers. The building should be completed and in use by September.
- The addition to the Oneida County Library in Malad is nearly finished. The addition, which extended the library by 20 feet, should be completed by the end of summer.
- Construction of the new American Falls High School in American Falls is complete and ready for students to begin the fall 2002 school year. The 142,000-square-foot facility, which has been under construction since May 2000, can accommodate up to 650 students. It includes an 800-seat auditorium, 1,400-seat gymnasium, and carried a price tag of nearly \$14 million.
- Spring Creek Manor in American Falls has expanded its facility and added 4,100-square feet of space. The expansion added six rooms to the facility to accommodate increased use.

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